

Benefit System Bill Is Sent to President

Associated Press

The Senate yesterday sent President Kennedy legislation designed to put the railroad retirement and unemployment compensation systems on a sound financial basis.

The bill, which cleared the House a week ago, was passed by voice vote after Sen. Wayne Morse (D-Ore.) told the Senate it is urgently needed. He said both rail management and unions agree on it.

The retirement fund has an actuarial deficit of \$77 million a year. The jobless-aid system has an actual deficit of more than \$300 million; benefits have been continued through loans from the railroad retirement trust funds.

Mr. Kennedy has urged that action be taken to put the systems on a sound basis. However, the Treasury opposed some provisions of the bill sent to the White House.

These are the changes in present law made by the bill.

In retirement:

- Increase from \$400 to \$450 a month the salary base on which employers and employees pay taxes. This will have the effect of increasing future retirement benefits as well as revenues.

- Raise the Government's contribution because of military service credits.

- Boost from 3 per cent to 4½ per cent the interest that the Treasury pays on railroad retirement funds.

In unemployment compensation:

- Raise the maximum tax rate paid by employers from 3¾ per cent to 4 per cent.

- Exclude from coverage persons casually attached to the industry and voluntary quits; for example, the amount of pay in a year needed to qualify an employee for benefits in the next year would be increased from \$500 to \$750.

The Railroad Retirement Board notified Congress that the retirement changes would reduce the annual actuarial deficit to \$16 million a year, which the Board said would be tolerable.

House Group Approves CIA Retirement Plan

Associated Press

The House Armed Services Committee approved a bill yesterday that would set up a retirement system for some agents of the Central Intelligence Agency.

The bill would allow agents who have spent at least five years in hazardous duty to retire after 20 years with the CIA.

In another action of retirement, the Committee approved a bill that would allow members of the armed services to retire with the benefits of the highest rank they achieved in any of the armed services. Under the present law, an Army officer, for example, can retire only at his highest a higher rank at some time Army rank even if he held in the Air Force, Marines or Navy.